

February 2003 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>February 2003</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$30,767,556	\$1,239,985,641
Percent Change	(9.6%)	(5.6%)
Corporate Income Tax		
Net Collections	\$1,395,453	\$166,097,006
Percent Change	N/A	(3.7%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$235,803,427	\$2,014,338,147
Change	1.7%	2.2%
Total Big Three Tax Types		
Net Collections	\$267,966,436	\$3,420,420,794
Percent Change	1.8%	(1.1%)

TAX FACTS

February 2003

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	February 2003	February 2002	% Change
Gross Collections	\$10,017,378	\$9,045,840	10.7
Withholding	192,708,648	198,723,432	(3.0)
Refunds	(136,078,548)	(138,564,965)	(1.8)
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
Net Collections	\$30,767,556	\$34,047,926	(9.6)
	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$248,681,988	\$276,478,184	(10.1)
Withholding	1,533,067,180	1,567,093,137	(2.2)
Refunds	(254,724,159)	(248,684,996)	2.4
Urban Revenue Sharing	(287,039,368)	(281,251,048)	2.1
Net Collections	\$1,239,985,641	\$1,313,635,276	(5.6)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$55,629 in tax liability, refunds for this credit totaled \$179,472. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2002, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

In calendar year 2003 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	1,993	233,887	3,807	6,306	0	450	78,033	2,087	30,821	229	2	357,615
%	0.6	65.4	1.1	1.8	0.0	0.1	21.8	0.6	4.8	8.6	0.1	

The 357,615 returns, representing current and prior tax years, filed through February 2003 represents an increase of 8.5% over the February returns filed during the same period of time in 2002. For tax year 2002 filed in 2003, 343,366 returns have been filed, a 9.1% increase over filings in February 2002 for tax year 2001.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 294,947 returns in calendar year 2003 for tax year 2002 from filers who also have returns on record from calendar year 2002 with the same marital status. On average, these filers experienced a 0.9% increase in FAGI and an 1.5% decrease in tax liability. More specifically, 37.8% of these filers experienced a decrease in tax liability; on average a decrease of 29.1% with a corresponding average decrease in FAGI of 15.0%. Filers with an increase in tax liability totaled 134,529 or 45.6%, with an average FAGI increase of 16.7% and an average tax liability increase of 29.2%.

Average Individual Income Tax Refund

	Average	Number
2003 CYTD	\$478.63	348,167
2002 CYTD	\$483.60	339,290
% Change	(1.0%)	2.6%

"New" Filers in Calendar Year 2003

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2003. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 43,001 "new" returns have been filed thus far in 2003, representing approximately 50,623 persons, not including dependents. The average Federal Adjusted Gross Income for these 43,001 returns is \$15,769, with an average tax liability of \$150. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 17.5% had a married filing joint filing status, 2.7% claimed a 65 And Over Exemption and 62.1% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2001 was \$336.5 million, for an average of \$1,480. An additional \$67.7 million in estimated payments came from 2000 tax returns that applied their refunds as a 2001 estimated payment, for an average of \$1,817. Estimated payments received through February 2003 for tax year 2002 were as follows:

02/03	140ES payment	\$2,375,526	Cumulative	\$227,818,827
02/02	140ES payment	\$9,120,094	Cumulative	\$333,895,906
	Percent change	(74.0%)		(31.8%)
02/03	Average payment	\$1,329	Cumulative	\$1,475
02/02	Average payment	\$1,213	Cumulative	\$1,479
	Percent change	9.6%		(0.3%)
02/03	Applied refund	\$282,285	Cumulative	\$73,485,518
02/02	Applied refund	\$349,316	Cumulative	\$65,998,866
	Percent change	(19.2%)		11.3%
Total 02/03		\$2,657,811	Cumulative	\$301,304,346
Total 02/02		\$9,469,410	Cumulative	\$399,894,772
	Percent change	(71.9%)		(24.7%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from February 2001 through April 2002, \$561,286,152 was received for the first quarter of 2001. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2001, which shows a decrease of 0.2% in withholding payments over the fourth quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2002	(3.0%)	3 rd Quarter 2002	(4.7%)
2 nd Quarter 2002	(2.6%)	4 th Quarter 2002	(2.2%)
		1 st Quarter 2003	3.0%

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2003	1,626	\$632,810	\$389.18
Calendar Year 2002	3,358	\$1,248,685	\$371.85
% Change	(51.8%)	(49.3%)	4.7%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2002:

	February 2003	Calendar Year Total
Check Off	\$477,188	\$502,179
Voluntary Donation	\$3,676	\$3,907
Number of Returns	70,004	74,092

Contributions on the Individual Income Tax Return

Through February 2003, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	1,312	\$21,166	\$16.13
Child Abuse	1,751	\$31,597	\$18.05
Special Olympics	656	\$10,652	\$16.24
Neighbors Helping	375	\$4,246	\$11.32
AID to Education	66	\$5,068	\$76.79
Domestic Violence Shelter	1,067	\$20,117	\$18.85
Democratic Party	90	\$1,432	\$15.91
Republican Party	87	\$2,072	\$23.82
Libertarian Party	14	\$330	\$23.57

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	February 2003	February 2002	% Change
Gross Collections	\$8,063,919	\$9,152,942	(11.9)
Refunds	(\$6,668,466)	(\$11,772,968)	(43.4)
Net Collections	\$1,395,453	(\$2,620,026)	N/A

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$254,752,960	\$301,123,855	(15.4)
Refunds	(\$88,655,955)	(\$128,592,501)	(31.1)
Net Collections	\$166,097,006	\$172,531,354	(3.7)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

February 2003	\$5,177,126	Calendar Year Total	\$19,909,031
February 2002	<u>\$5,814,853</u>	Calendar Year Total	<u>\$16,369,145</u>
% Change	(11.0%)	% Change	21.6%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for February 2003 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
February 2003	70	6	4	3	0	0	83	(8.8%)
February 2002	76	8	3	4	0	0	91	
CY 2003	181	19	14	5	5	0	224	(17.3%)
CY 2002	227	21	16	6	1	0	271	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	6.8%	5.6%	6.3%	74.9%	6.3%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

February 2003	\$12,787,900	Calendar Year Total	\$18,180,610
February 2002	<u>\$6,471,392</u>	Calendar Year Total	<u>\$22,834,653</u>
% Change	97.6%	% Change	(20.4%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2001. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9

Through February 2003, 8,992 documents have been received for a fiscal year-end of 2002, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	39	6,695	418	62	1,778
%	0.4	74.5	4.6	0.7	19.8

The figures shown above for the 2002 returns are most meaningful when compared to 2001 returns received during the same period of time in the previous year. Through February 2002, the Arizona Department of Revenue received 15,208 documents with a fiscal year-end of 2001. Compared to 2002 documents, this represents a 40.9% decrease in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for February 2003 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	February 2003	February 2002	% change
Distribution Base	\$99,271,186	\$96,639,231	2.7
Non shared	185,866,802	184,390,247	0.8
Use Tax	15,697,993	14,121,898	11.2
Education Tax	34,879,156	34,183,362	2.0
Other Revenues	42,048,195	40,449,577	4.0
Total Collections	\$377,763,333	\$369,784,315	2.2

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$836,245,288	\$823,138,220	1.6
Non shared	1,600,381,858	1,583,451,916	1.1
Use Tax	125,532,823	103,981,486	20.7
Education Tax	298,025,150	292,290,395	2.0
Other Revenues	348,239,933	339,989,964	2.4
Total Collections	\$3,208,425,051	\$3,142,851,981	2.1

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	February 2003	February 2002	% change
Retained by State	\$235,803,427	\$231,843,016	1.7
Returned to Counties	40,214,758	39,148,552	2.7
Returned to Cities	24,817,797	24,159,808	2.7
Education Tax	34,879,156	34,183,362	2.0
Other	42,048,195	40,449,577	4.0
Total Collections	\$377,763,333	\$369,784,315	2.2

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$2,014,338,147	\$1,971,334,329	2.2
Returned to Counties	338,761,440	333,452,950	1.6
Returned to Cities	209,060,381	205,784,343	1.6
Education Tax	298,025,150	292,290,395	2.0
Other	348,239,933	339,989,964	2.4
Total Collections	\$3,208,425,051	\$3,142,851,981	2.1

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	February 2003	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$306,423	49.8	\$1,809,982	3.2
Non-Metal Mining/Oil & Gas	3.125%	470,720	7.9	5,996,988	41.7
Utilities	5.6%	23,342,684	(3.8)	213,863,942	1.2
Communications	5.6%	11,073,058	0.9	97,792,792	2.2
Railroads/Aircraft	5.6%	88,764	(56.3)	(2,203,397)	N/A
Private Car/Pipelines	5.6%	78,944	291.5	378,474	99.3
Publishing	5.6%	544,292	18.8	4,473,029	111.6
Printing	5.6%	1,409,405	1.4	15,246,640	31.0
Restaurants/Bars	5.6%	28,444,352	8.5	213,278,683	4.3
Amusements	5.6%	3,920,498	3.3	24,833,863	10.6
Commercial Lease	0%	12,700	(67.2)	(115,537)	N/A
Rental of Personal Property	5.6%	13,696,310	(5.0)	110,805,848	(6.8)
Contracting	3.75% - 5.6%	41,346,733	(6.6)	385,987,363	(2.8)
Feed Wholesale	Repealed	0	N/A	(225)	N/A
Retail	5.6%	150,715,032	3.3	1,305,731,700	2.1
Mining Severance	2.5%	78,170	N/A	676,882	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	931	N/A	2,711	(80.1)
Hotel/Motel	5.5%	8,708,509	2.6	54,100,995	3.0
Membership Camping	5.6%	23,363	(7.0)	77,367	(8.8)
Use/Use Inventory	5.6%	15,697,993	11.2	125,532,823	20.7
Rental Occupancy Tax	3.0%	13,833	(7.0)	(616)	N/A
Jet Fuel Tax	\$.0305/\$.0105 gal	838,704	54.3	3,726,870	17.3
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	522,401	(0.8)	4,198,994	(2.6)
Poison Control Fund	----	193,217	(0.8)	1,553,053	(2.6)
911 Wireline/Excise	\$0.37 monthly per activated service	1,160,715	(11.6)	10,189,326	2.7
911 Wireless Service	\$0.37 monthly per activated service	794,632	34.0	6,392,449	46.2
Total		\$303,482,382	1.9	\$2,584,330,999	2.1

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	February 2003	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$6,128,467	49.8	\$36,199,642	3.2
Non-Metal Mining/Oil & Gas	15,063,051	7.9	191,903,629	41.7
Utilities	466,853,688	(3.8)	4,277,278,832	1.2
Communications	221,461,152	0.9	1,955,855,843	2.2
Railroads/Aircraft	1,775,283	(56.3)	(44,067,944)	N/A
Private Car/Pipelines	1,578,877	291.5	7,569,480	99.3
Publishing	10,885,831	18.8	89,460,578	111.6
Printing	28,188,092	1.4	304,932,800	31.0
Restaurants/Bars	568,887,032	8.5	4,265,573,663	4.3
Amusements	78,409,965	3.3	496,677,264	10.6
Commercial Lease	1,176,861	(37.6)	(9,476,821)	N/A
Rental of Personal Property	273,926,210	(5.0)	2,216,116,955	(6.8)
Contracting	824,989,829	(6.8)	7,717,804,553	(2.8)
Feed Wholesale	(9)	N/A	(48,064)	N/A
Retail	3,014,300,632	3.3	26,114,634,003	2.1
Mining Severance	3,126,782	N/A	27,075,289	N/A
Timber Severance	473	N/A	473	N/A
Hotel/Motel	158,336,521	2.6	983,654,457	3.0
Membership Camping	467,266	(7.0)	1,369,236	(19.3)
Use/Use Inventory	309,616,926	12.2	2,220,871,084	7.4
Rental Occupancy Tax	461,111	(7.0)	(20,525)	N/A
Total	\$5,985,634,041	2.1	\$50,853,364,425	1.5

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In February 2003, 34,609,213 gallons of jet fuel were taxed, a 21.6% increase from the 28,469,171 reported for February 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in February 2003 was \$2,059,086 a 7.0% increase from the \$1,924,313 claimed in February 2002. Accounting credits claimed-to-date in FY 02/03 equals \$11,105,520 a 1.7% increase from the \$10,920,935 claimed during the same period in FY 01/02.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>February 2002</u>	<u>February 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$200,626,839	\$206,381,529	(2.8)
5311-5399	general merchandise stores	215,598,962	214,193,571	0.7
5411-5499	food stores (no food sales)	259,626,110	238,945,898	8.7
5511-5521	motor vehicle dealers	566,379,284	566,876,877	(0.1)
5531-5599	misc. automotive, motorcycle & boat stores	157,923,180	138,094,559	14.4
5611-5699	apparel & accessory stores	154,767,835	148,384,123	4.3
5712-5733	furniture, home furnishings & equipment stores	168,472,006	154,559,115	9.0
5912-5949	misc. retail stores	198,572,073	199,318,841	(0.4)
TOTAL		\$3,014,300,632	\$2,916,868,379	3.3

<u>SIC Code Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,547,966,344	\$1,471,597,638	5.2
5311-5399	general merchandise stores	2,171,728,545	2,341,003,492	(7.2)
5411-5499	food stores (no food sales)	2,109,042,531	1,991,202,366	5.9
5511-5521	motor vehicle dealers	4,832,424,735	5,033,066,207	(4.0)
5531-5599	misc. automotive, motorcycle & boat stores	1,308,489,425	1,246,519,805	5.0
5611-5699	apparel & accessory stores	1,673,767,500	1,585,506,291	5.6
5712-5733	furniture, home furnishings & equipment stores	1,342,441,326	1,310,642,607	2.4
5912-5949	misc. retail stores	1,787,327,431	1,785,834,165	0.1
TOTAL		\$26,114,634,003	\$25,584,663,215	2.1

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for February 2003 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$197,035	\$299,947	0.7	\$2,588,653	1.6
Cochise	1,515,611	738,832	1.8	6,150,924	2.7
Coconino	2,095,914	974,702	2.4	9,410,939	2.8
Gila	641,762	318,398	0.8	2,709,691	(0.7)
Graham	385,059	201,167	0.5	1,591,706	1.2
Greenlee	133,988	119,577	0.3	1,144,575	(6.1)
La Paz	302,749	133,240	0.3	991,104	(0.6)
Maricopa	67,098,784	25,876,284	64.3	217,235,502	1.0
Mohave	2,428,542	1,057,069	2.6	9,150,772	5.1
Navajo	1,292,643	618,980	1.5	5,641,836	4.8
Pima	15,260,390	6,150,897	15.3	51,390,637	1.6
Pinal	2,047,947	1,076,000	2.7	8,687,024	7.5
Santa Cruz	574,603	256,511	0.6	2,209,794	2.7
Yavapai	2,817,801	1,307,567	3.3	11,243,814	2.8
Yuma	2,478,359	1,085,587	2.7	8,614,469	3.6
Total	\$99,271,186	\$40,214,758		\$338,761,440	1.6

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for February 2003 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during February 2003 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$68,548							
Cochise		\$456,945							
Coconino		\$620,496	\$372,125					\$143,472	
Gila	\$208,365	\$201,216							
Graham		\$113,116							
Greenlee		\$42,403							
La Paz		\$86,464	\$86,464				\$19,051		
Maricopa	\$21,079,955		\$7,713,025	\$461,848	\$7,842				\$1,833,014
Mohave		\$356,493							
Navajo		\$378,383							
Pima				\$116,367		\$32,927			
Pinal	\$690,511	\$675,278							
Santa Cruz		\$161,939							
Yavapai		\$857,534	\$342,026						
Yuma		\$706,928	\$704,988					\$702,548	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in February 2003. The table compares the receipts to February 2002 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	February 2003	February 2002	% Change
Spirituos	\$1,844,092	\$1,751,399	5.3
Vinous	909,485	697,676	30.4
Malt	1,404,081	1,489,332	(5.7)
Cigarette	14,522,676	13,447,564	8.0
Other Tobacco	543,841	276,530	96.7
Tobacco Licenses	175	175	0.0
Total	\$19,224,351	\$17,662,677	8.8

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Spirituos	\$14,657,378	\$14,361,733	2.1
Vinous	6,379,320	5,962,837	7.0
Malt	14,180,598	14,228,884	(0.3)
Cigarette*	122,580,835	102,843,228	19.2
Other Tobacco	3,169,907	2,375,293	33.5
Tobacco Licenses	2,700	2,350	14.9
Total	\$160,970,738	\$139,774,327	15.2

*Through February 2003, \$414,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	February 2003	FY (02/03)
Spirituos	\$1,290,864	\$10,260,164
Vinous	226,823	1,590,510
Malt	351,020	3,545,149
Cigarette	1,963,435	29,003,845
Other Tobacco	84,295	491,336
Tobacco Licenses	175	2,700
Total	\$3,916,613	\$44,893,704

Other dedicated revenues from luxury taxes:

	February 2003	FY (02/03)
Correction Fund revenues	\$1,854,229	\$17,319,610
Tobacco Tax & Health Care Fund ²	4,948,523	73,851,442
Tobacco Products Tax Fund ³	7,740,539	18,287,307
Wine Promotional Fund revenues	2,195	17,276
Drug Treatment & Education Fund revenues	545,133	4,723,692
Corrections Revolving Fund revenues	217,119	1,877,706

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

	February 2003	\$8,883,576		Fiscal year To Date	\$74,525,189
	February 2002	<u>\$3,959,624</u>		Fiscal year To Date	<u>\$64,168,388</u>
% Change		124.4%		% Change	16.1%

Private Car

	February 2003	\$0		Fiscal year To Date	\$1,481,692
	February 2002	<u>\$80</u>		Fiscal year To Date	<u>\$1,509,625</u>
% Change		N/A		% Change	(1.9)

Bingo

	February 2003	\$44,173		Fiscal year To Date	\$423,142
	February 2002	<u>\$41,517</u>		Fiscal year To Date	<u>\$431,735</u>
% Change		6.4%		% Change	(2.0%)

Unclaimed Property

	February 2003	\$293,220		Fiscal year To Date	\$25,544,728
	February 2002	<u>\$1,279,461</u>		Fiscal year To Date	<u>\$31,761,600</u>
% Change		(77.1%)		% Change	(19.6%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2003 for Tax Year 2002
Through February 2003

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	71	0.2%	-\$2,578	\$0	16.2%	66.2%	16.2%	1.4%	27.0%	24.3%
\$0-\$5,000	7,417	17.3%	\$3,090	\$0	5.1%	61.9%	32.8%	0.1%	1.9%	46.3%
\$5,000-\$10,000	11,273	26.2%	\$7,470	\$16	7.6%	54.1%	38.2%	0.2%	2.4%	52.7%
\$10,000-\$15,000	7,930	18.4%	\$12,343	\$42	14.4%	30.5%	54.9%	0.3%	3.2%	71.0%
\$15,000-\$20,000	5,896	13.7%	\$17,374	\$89	20.4%	20.9%	58.4%	0.4%	3.4%	76.2%
\$20,000-\$25,000	3,699	8.6%	\$22,329	\$184	27.8%	19.8%	52.0%	0.4%	2.4%	76.7%
\$25,000-\$30,000	1,985	4.6%	\$27,317	\$313	31.9%	26.3%	41.2%	0.6%	2.9%	69.0%
\$30,000-\$40,000	2,143	5.0%	\$34,403	\$490	34.9%	29.5%	35.2%	0.5%	2.2%	63.4%
\$40,000-\$50,000	993	2.3%	\$44,514	\$723	46.4%	26.8%	26.2%	0.6%	2.7%	62.5%
\$50,000-\$75,000	1,107	2.6%	\$59,910	\$1,082	63.8%	17.4%	18.5%	0.3%	3.9%	65.6%
\$75,000-\$100,000	302	0.7%	\$84,910	\$1,714	73.0%	15.8%	10.5%	0.7%	4.3%	54.9%
\$100,000-\$200,000	177	0.4%	\$124,558	\$3,085	75.1%	19.3%	4.4%	1.1%	5.0%	49.2%
\$200,000-\$500,000	*	*	*	*	*	*	*	*	*	*
\$500,000-\$1,000,000	*	*	*	*	*	*	*	*	*	*
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	43,001		\$15,769	\$150	17.5%	39.1%	43.1%	0.3%	2.7%	62.1%

* An asterisked line indicates that the information can not be released due to confidentiality laws.

NEW RETURNS FILED IN 2002 FOR TAX YEAR 2001

Total	233,775	\$19,905	\$332	20.5%	57.1%	20.2%	2.2%	7.9%	34.3%
--------------	----------------	-----------------	--------------	--------------	--------------	--------------	-------------	-------------	--------------

“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
February 2003

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,798,117	202,705
Eagar	\$35,775	4,033	Surprise	273,641	30,848
Springerville	17,493	1,972	Tempe	1,407,101	158,625
St. Johns	28,998	3,269	Tolleson	44,122	4,974
<u>Cochise County</u>			Wickenburg	45,080	5,082
Benson	41,789	4,711	Youngtown	26,701	3,010
Bisbee	54,022	6,090	<u>Mohave County</u>		
Douglas	126,956	14,312	Bullhead City	299,552	33,769
Huachuca City	15,532	1,751	Colorado City	29,575	3,334
Sierra Vista	335,087	37,775	Kingman	178,024	20,069
Tombstone	13,341	1,504	Lake Havasu City	372,016	41,938
Willcox	33,114	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,617	4,917
Flagstaff	469,202	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,259	7,695
Page	60,400	6,809	Snowflake	39,563	4,460
Williams	25,210	2,842	Taylor	28,173	3,176
<u>Gila County</u>			Winslow	84,448	9,520
Globe	66,405	7,486	<u>Pima County</u>		
Hayden	7,913	892	Marana	120,250	13,556
Miami	17,174	1,936	Oro Valley	263,457	29,700
Payson	120,818	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<u>Graham County</u>			Tucson	4,317,318	486,699
Pima	17,644	1,989	<u>Pinal County</u>		
Safford	81,893	9,232	Apache Junction	282,210	31,814
Thatcher	35,678	4,022	Casa Grande	223,752	25,224
<u>Greenlee County</u>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,033	10,375
Duncan	7,203	812	Florence	128,322	14,446
<u>La Paz County</u>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,304	35,883	Nogales	185,201	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,964	2,927	<u>Yavapai County</u>		
Cave Creek	33,070	3,728	Camp Verde	83,836	9,451
Chandler	1,566,381	176,581	Chino Valley	69,501	7,835
El Mirage	67,496	7,609	Clarkdale	30,355	3,422
Fountain Hills	179,497	20,235	Cottonwood	81,423	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,079	109,697	Prescott	301,051	33,938
Glendale	1,940,996	218,812	Prescott Valley	208,770	23,535
Goodyear	167,752	18,911	Sedona	90,409	10,192
Guadalupe	46,376	5,228	<u>Yuma County</u>		
Litchfield Park	33,797	3,810	San Luis	135,916	15,322
Mesa	3,516,089	396,375	Somerton	64,454	7,266
Paradise Valley	121,208	13,664	Wellton	16,224	1,829
Peoria	961,255	108,364	Yuma	687,605	77,515
Phoenix	11,718,477	1,321,045			
Queen Creek	38,286	4,316	TOTAL	\$35,879,921	4,044,808

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
February 2003

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,243,740	202,705
Eagar	\$24,745	4,033	Surprise	189,275	30,848
Springerville	12,100	1,972	Tempe	973,278	158,625
St. Johns	20,058	3,269	Tolleson	30,519	4,974
<u>Cochise County</u>			Wickenburg	31,182	5,082
Benson	28,905	4,711	Youngtown	18,469	3,010
Bisbee	37,367	6,090	<u>Mohave County</u>		
Douglas	87,814	14,312	Bullhead City	207,197	33,769
Huachuca City	10,744	1,751	Colorado City	20,456	3,334
Sierra Vista	231,777	37,775	Kingman	123,138	20,069
Tombstone	9,228	1,504	Lake Havasu City	257,320	41,938
Willcox	22,905	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	30,169	4,917
Flagstaff	324,543	52,894	Pinetop/Lakeside	21,978	3,582
Fredonia	6,357	1,036	Show Low	47,214	7,695
Page	41,778	6,809	Snowflake	27,365	4,460
Williams	17,438	2,842	Taylor	19,487	3,176
<u>Gila County</u>			Winslow	58,412	9,520
Globe	45,932	7,486	<u>Pima County</u>		
Hayden	5,473	892	Marana	83,176	13,556
Miami	11,879	1,936	Oro Valley	182,231	29,700
Payson	83,568	13,620	Sahuarita	19,892	3,242
Winkelman	2,718	443	South Tucson	33,685	5,490
<u>Graham County</u>			Tucson	2,986,247	486,699
Pima	12,204	1,989	<u>Pinal County</u>		
Safford	56,645	9,232	Apache Junction	195,202	31,814
Thatcher	24,678	4,022	Casa Grande	154,767	25,224
<u>Greenlee County</u>			Coolidge	47,773	7,786
Clifton	15,928	2,596	Eloy	63,658	10,375
Duncan	4,982	812	Florence	88,759	14,446
<u>La Paz County</u>			Kearny	13,799	2,249
Parker	19,266	3,140	Mammoth	10,811	1,762
Quartzsite	20,579	3,354	Superior	19,966	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	220,168	35,883	Nogales	128,102	20,878
Buckeye	52,135	8,497	Patagonia	5,406	881
Carefree	17,959	2,927	<u>Yavapai County</u>		
Cave Creek	22,874	3,728	Camp Verde	57,989	9,451
Chandler	1,083,451	176,581	Chino Valley	48,073	7,835
El Mirage	46,687	7,609	Clarkdale	20,996	3,422
Fountain Hills	124,156	20,235	Cottonwood	56,320	9,179
Gila Bend	12,149	1,980	Jerome	2,019	329
Gilbert	673,070	109,697	Prescott	208,234	33,938
Glendale	1,342,568	218,812	Prescott Valley	144,404	23,535
Goodyear	116,033	18,911	Sedona	62,535	10,192
Guadalupe	32,078	5,228	<u>Yuma County</u>		
Litchfield Park	23,377	3,810	San Luis	94,011	15,322
Mesa	2,432,045	396,375	Somerton	44,582	7,266
Paradise Valley	83,838	13,664	Wellton	11,222	1,829
Peoria	664,891	108,364	Yuma	475,610	77,515
Phoenix	8,105,558	1,321,045	TOTAL	\$24,817,797	4,044,808
Queen Creek	26,482	4,316			

*The Office of Economic Research & Analysis
Arizona Department of Revenue
1600 W. Monroe
Phoenix, AZ 85007*